

Minutes of the 9th Meeting (2015 Series) of the Units Approval Committee (UAC) for monitoring of performance of EOUs held on 27.11.2015 at 1530 hours in respect of Rajkot Commissionerates at the Committee Room, Jamnagar Chamber of Commerce & Industry, Jamnagar under the Chairpersonship of Shri Krishan Kumar, Joint Development Commissioner, KASEZ

Following were present:

- (1) Shri M. S. Das, Deputy Commissioner, Central Excise, Jamnagar Division, Jamnagar
- (2) Shri L. K. Meena, DDC(I/C), KASEZ
- (3) Shri J. V. Modi, Superintendent, Gandhidham, Kutch Commissionerate

A list of unit's representative is enclosed as Annexure-I.

Monitoring of performance of 100% EOUs:

Monitoring of performance of EOUs falling under the jurisdiction of Rajkot Commissionerate for the period 2009-10 to 2014-15 were taken up for review. It was noted that a separate Commissionerate for Kutch Region at Gandhidham has been set up. Representative of this Commissionerate was also present.

1. JDC, KASEZ informed that monitoring meeting of EOUs of Rajkot Commissionerate was pending since 2009-10 and hence it is proposed to take up the review meeting for monitoring the APRs of EOUs of Rajkot Commissionerate for the period from 2009-10 to 2014-15. He further stated that the review is basically on two issues – whether the units are NFE positive for the five year block period and whether there are units whose Foreign Exchange realisation was pending for more than the time limit prescribed by the RBI without their permission.

2. On reviewing the performance of EOUs, JDC, KASEZ further informed that the following units were NFE negative for the five year block period completed and DC was requested to take penal action against the unit by issuance of SCN as per instructions.

2011-12

1. Marvel Metal Corporation.
2. Shekhar Impex.

2012-13

1. Balaji International.
2. Padmavati Impex – The unit had already been issued SCN and the same was adjudicated and a penalty of Rs. 5.50 lakhs imposed against the unit.

2013-14

1. Agarwal Exports
2. Indu Overseas
3. Maheshwari Overseas

1. Abhishek Exports

3. On pending foreign exchange realisation, JDC, KASEZ informed that out of 6 EOUs whose foreign exchange realisation are pending, if we exclude the pending realisation from NFE, the three units will become NFE negative and the remaining three units shall remain NFE positive as per details below: -

1. M/s. Divine Impex, Jamnagar, the unit will become NFE negative to the tune of Rs. 46.98 lakhs.
2. M/s. Goldstar International, Jamnagar, the unit will become NFE negative to the tune of Rs. 27.58 lakhs.
3. M/s. Siyaram Metals Pvt. Ltd., Jamnagar, the unit will become NFE negative to the tune of Rs. 130.29 lakhs.
4. M/s. Jindal Saw Ltd., Mundra, Kutch, the unit will become NFE positive to the tune of Rs. 23984.80 lakhs.
5. M/s. Jindal Saw Ltd., (JDO-III) Mundra, Kutch, the unit will become NFE positive to the tune of Rs. 83399.61 lakhs.
6. M/s. Royal Recycling Industries, Jamnagar, the unit will become NFE positive to the tune of Rs. 1921.03 lakhs.

JDC, KASEZ stated that those three NFE negative should be issued SCN for not achieving positive NFE. Further, it should be seen from Central Excise angle in respect of duty benefit taken by the six EOUs on the pending foreign exchange realisation amount and by DC's office from the angle of TED, CST, etc. availed by the EOUs from DC's office, that could be recovered from the EOUs. Further, DC's office will also bring to the notice of the RBI about pending foreign exchange realisation. Action is also to be taken as per provisions of Para 2.54 of FTP, 2015-2020.

4. The representative of M/s. Abhishek Exports sought for clarification regarding NFE neutral for which JDC, KASEZ explained that as per FTP the EOUs should be NFE positive and NFE neutral is not NFE positive.

5. The representative of M/s. Sterling Enterprise sought for clarification on five year block period completion. The JDC, KASEZ clarified that we take completed 5 year block period from the date of commencement of commercial production and for ease of convenience normally 5 year block period is taken on financial year basis i.e. April to March for NFE calculation.

6. The representatives of Jamnagar EOU Association had informed that many metal scrap EOUs are either closed or have debonded/exited from EOU scheme as the Central Excise authority had issued SCN for wastage norms in respect of metal recycling EOUs and the said SCN are pending for long periods (in some cases more than five years) and no adjudication actions are being taken by Central Excise and as such many EOUs are closed, this affects getting bank finance. JDC requested the unit holder to send a detailed note on the issue so that if DC's office feels so, matter could be taken with BOA/DOC.

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7. The Deputy Commissioner, Central Excise, Jamnagar Division in his reply stated that the CBEC are seized of the matter and the Central Excise has given complete report to the CBEC on the issue of SCNs issued to metal recycling EOUs. He further stated that directions from CBEC are awaited. The Deputy Commissioner, Central Excise also informed that in some cases, the Central Excise Department has approached CESTAT and has filed application for early hearing also. He requested the units also to consider filing applications for early hearing.

8. The EOU representatives had stated that SCNs were issued to 50 EOUs and 17 cases were decided. SCNs were issued prior to fixation of wastage norms and hence they argued that the SCN issued should be revised based on wastage norms fixed in respect of metal recycling EOUs as the Central Excise had issued SCN based on FTP provisions i.e. 2% of wastage norms. JDC, KASEZ requested Deputy Commissioner, Central Excise, Jamnagar to send a factual note/report to DC's office. The EOU representatives further stated that if SCN are revised then many EOUs which are closed can revive their functioning and can earn valuable foreign exchange.

9. The EOU representatives enquired about MEIS scheme being introduced in the FTP, 2015-2020. The JDC, KASEZ replied that the EOU units who want to avail the MEIS should file their applications with DC office.

10. The Deputy Commissioner, Central Excise mentioned that in Jamnagar he is also looking after work relating to Customs and requested all metal scrap unit to follow fair trade practices and that they should discourage units that try to follow malpractices.

11. Representatives of Jamnagar Chamber of Commerce also thanked all Government officers for arranging meeting at Jamnagar.

The meeting ended with a vote of thanks to all.


4/12/15
Joint Development Commissioner,
Kandla Special Economic Zone.

List of representatives of EOU's attending the 9th UAC meeting for EOU's on 27-11-2015 for monitoring the performance of EOU's, at Committee Room of Jamnagar Chamber of Commerce and Industry, Jamnagar under the Chairmanship of the Jt. Development Commissioner, Kandla Special Economic Zone.

Sr. No.	Name of the unit	Name of the Representative.	Designation	Signature
1	Sparsh Bio-Tech Pvt. Ltd.	Sundeep Mani	Director	[Signature]
2	Prime Exporters	Jari Mani	Partner	[Signature]
3	ROYAL Re. IND	S. S. Patel	Director	[Signature]
4	Syaram metal Pvt	Ramsonl	Director	[Signature]
5	Syaram Impex Pvt	Ramsonl	Director	[Signature]
6	Rishans Impex P. Ltd.	Vinayak P. Shah.	Director.	[Signature]
7	Kamathi Impex Pvt Ltd	R. T. RASTANI	Director	[Signature]
8	Woolgrip Industries p. Ltd	Jyoti Akhani	Director	[Signature]
9	Sterling Subsidies	SURESH HADANI	PARTNER	[Signature]
10	—	Kamlesh RATHOD	CA-Committee member	[Signature]
11	Kamlesh P. Akhani	JCCA, Jamnagar Chamber of	member of chamber	[Signature]
12	Jasmin Sheth	Royal Recycling	staff	[Signature]
13	Rajesh Parmar	Royal Recycling Ind	staff	[Signature]
14	—	CA Subhash Bhand	CA	[Signature]
15	—	CA Nitish Shah	C.A.	[Signature]
16	Jayesh Anjaria			
17	Sakap metal P Ltd	Jayesh Anjaria	Director	[Signature]
18	"	Dipal Patoda	Executive	[Signature]
19	Sar metals Pvt.	Vijaybhai P. Keshavn	Director	[Signature]
20	Amasteel Export	Ankit D. Chaudhari	Partner	[Signature]
21	Amberk Worldwide	Hiren Changani	Partner.	H.K. Changani
22	Viam Impex	Mayur Kataria	Partner	[Signature]
23	DSG metal Ind.	mehul Parmar	Accountant	[Signature]
24	DSG METAL INC.	VIRAL RATHOD	SALE EXECUTIVE	[Signature]